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CURRENT SUPPORT MEMORANDUM

COMMUNIST CHINA TO EXPORT ESTIMATED 1.8 MILLION TONS
OF CEMENT TO THE USSR IN 1958

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TOP SECRET EIDER**COMMUNIST CHINA TO EXPORT ESTIMATED 1.8 MILLION TONS
OF CEMENT TO THE USSR IN 1958**

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Communist China plans to ship 300,000 tons of cement to the USSR in the first quarter of 1958. 1/ Based upon the increase of annual shipments and the relationship of first quarter shipments to total annual shipments in 1956 and 1957 it is estimated that China will ship about 1.8 million tons of cement to the USSR in 1958. 2/ This is an increase of 50 percent above the level of 1957 shipments and more than 20 percent of the 7.65 million tons production planned in 1958. 3/

Chinese Communist exports of cement to the USSR since 1953 are reflected as follows: 4/

<u>Year</u>	<u>Exports</u> <u>(1,000 Metric Tons)</u>
1954	260.0
1955	350.0
1956	796.7
1957	1,217.8
1958 (estimate)	1,800.0

The planned increase in both production (6.7 million tons in 1957 to 7.65 million tons in 1958) and exports of cement in 1958 is supported by the current construction program for new cement plants in China. The 950,000 ton increase needed to meet the 1958 production target can be achieved by the output of the Yungteng (capacity: 450,000 tons) and Kunming (capacity: 360,000 tons) plants, completed in the latter part of 1957; the plant at Urumchi (capacity: 150,000 tons), which is expected to start operation shortly; and that part of plant capacity at Tatung--estimated at 100,000 tons--not realized in 1957 because the plant was not commissioned until March 1957. 5/ It also is possible that at least one of three other plants currently under construction at Sian (capacity: 680,000 tons), Loyang (capacity: 450,000 tons), and Machiaopa (capacity: 360,000 tons) in Szechwan may be completed during the year. 6/

The cement shortage of 1956 was alleviated in 1957 and--based on the announcement that investment in capital construction in 1958 is to increase about 18 percent above the level attained in 1957 7/--it appears that 1.8 million tons of cement will be available for export to the USSR in 1958.

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